

Worksheet G

Calculation of Total Annualized Project Costs

Capital costs to be financed	\$32,000	(1)
Interest rate for financing	7%	(i)
Time period of financing (assume 20 years)*	20 years	(n)
Annualization factor = $i / ((1+i)^{20} - 1) + i$	0.0944	(2)
Annualized capital cost [(1) × (2)]	\$3,021	(3)
Annual cost of operation and maintenance (including but not limited to monitoring, inspection, permitting fees, waste disposal charges, repair, administration and replacement)**	\$4,000	(4)
Total annual cost of pollution control project [(3) + (4)]	\$7,000	(5)

* While actual payback schedules may differ across projects and companies, assume equal annual payments over a 20 year period for consistency in comparing projects.

** For recurring costs that occur less frequently than once a year, pro rate the cost over the relevant number of years (e.g., for pumps replaced once every three years, include one-third of the cost in each year).